



RECEIVED

FERGUSON CASE ORR PATERSON LLP

SEP 05 2018

ATTORNEYS AT LAW
1050 SOUTH KIMBALL ROAD, VENTURA, CALIFORNIA 93004
PHONE: (805) 659-6800 FACSIMILE: (805) 659-6818
www.fcoplaw.com



Ventura County
Grand Jury

MICHAEL W. CASE
JOHN C. ORR
THEODORE J. ENGLAND
JOSEPH L. STROHMAN, JR.
DAVID W. TREDWAY
WENDY C. LASCHER
DAVID L. SHAIN
SCOTT B. SAMSKY

WILLIAM B. SMITH
DAVID B. SHEA
JAMES Q. McDERMOTT
MARK T. BARNEY
MICHAEL A. VELTHOEN
DOUGLAS K. GOLDWATER
JESSE E. CAHILL

LESLIE A. McADAM
BRET G. ANDERSON
JOHN M. ANDERSEN
NEAL P. MAGUIRE
JOHN A. HRIBAR
LANE J. LOPEZ
JOSHUA S. HOPSTONE

KYMBERLEY E. PECK
LAUREN E. SIMS
LAUREN C. RAD
MAX R. ENGELHARDT
JESSICA M. WAN

THOMAS R. FERGUSON
1926-2011
WILLIAM E. PATERSON
RETIRED
Of Counsel
ROBERT B. ENGLAND
CHRISTOPHER K. KITASAKI
ARTHUR ZITTELL
JOYCE L. WALLACH

Writer's Email:
jorr@fcoplaw.com

August 31, 2018

Ira Schoenwald, Chair
Andrew Ludlum, Foreperson
Ventura County Grand Jury
800 South Victoria Avenue
Ventura, CA 93009

Re: Oxnard Drainage District No. 2

Dear Messrs. Schoenwald and Ludlum:

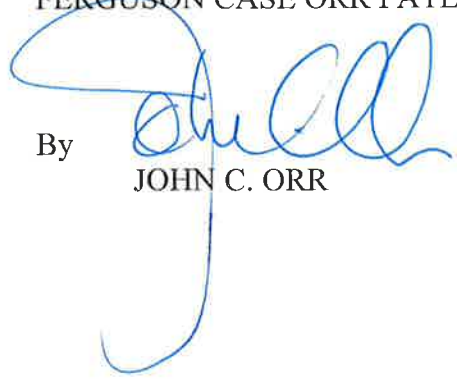
Enclosed is the Response to the Grand Jury Report Form that has been completed by Oxnard Drainage District No. 2.

If you have any questions or need any further information, please do not hesitate to contact the undersigned.

To acknowledge your receipt of Oxnard Drainage District No. 2's response, please receive-stamp the enclosed copy of this letter and return it in the envelope provided.

Very truly yours,

FERGUSON CASE ORR PATERSON LLP

By 
JOHN C. ORR

JCO:mjr
Enclosures
cc: Mr. Michael Nauman
Mr. Paul DeBusschere
Mr. Brian Naumann
Neal P. Maguire, Esq.

Response to Grand Jury Report Form

Report Title: Independent Special Districts

Report Date: April 26, 2018

Response by: **Oxnard Drainage District No. 2** Title: _____

FINDINGS / CONCLUSIONS

- I (we) agree with the findings / conclusions numbered: **C-01 and C-04**.
- I (we) disagree wholly or partially with the Findings / Conclusions numbered:

_____ (Attach a statement specifying any portions of the Findings / Conclusions that are disputed; include an explanation of the reasons.)

RECOMMENDATIONS

- Recommendations numbered _____ have been implemented.
(Attach a summary describing the implemented actions and date completed.)
- Recommendations number **R-01, R-02, R-03 and R-04** have not yet been implemented, but will be implemented by **December 31, 2018**.
(Attach a time frame for the implementation.)
- Recommendations numbered _____ require further analysis.
- Recommendations numbered _____ will not be implemented because they are not warranted or are not reasonable.

Date: August 31, 2018.

OXNARD DRAINAGE DISTRICT NO. 2

Signed By:  _____
JOHN C. ORR, Secretary

Number of pages attached: 3

FERGUSON CASE ORR PATERSON LLP

ATTORNEYS AT LAW

1050 SOUTH KIMBALL ROAD, VENTURA, CALIFORNIA 93004

PHONE: (805) 659-6800 FACSIMILE: (805) 659-6818

www.fcoplaw.com

MICHAEL W. CASE
JOHN C. ORR
THEODORE J. ENGLAND
JOSEPH L. STROHMAN, JR.
DAVID W. TREDWAY
WENDY C. LASCHER
DAVID L. SHAIN
SCOTT B. SAMSKY

WILLIAM B. SMITH
DAVID B. SHEA
JAMES Q. McDERMOTT
MARK T. BARNEY
MICHAEL A. VELTHOEN
DOUGLAS K. GOLDWATER
JESSE E. CAHILL

LESLIE A. McADAM
BRET G. ANDERSON
JOHN M. ANDERSEN
NEAL P. MAGUIRE
JOHN A. HRIBAR
LANE J. LOPEZ
JOSHUA S. HOPSTONE

KYMBERLEY E. PECK
LAUREN E. SIMS
LAUREN C. RAD
MAX R. ENGELHARDT
JESSICA M. WAN

THOMAS R. FERGUSON
1926-2011

WILLIAM E. PATERSON
RETIRED

Of Counsel
ROBERT B. ENGLAND
CHRISTOPHER K. KITASAKI
ARTHUR ZITTELL
JOYCE L. WALLACH

Writer's E-mail:

jorr@fcoplaw.com

August 31, 2018

Ira Schoenwald, Chair
Counties and Special Districts Committee
2017-2018 Ventura County Grand Jury
800 South Victoria Avenue
Ventura, CA 93009

Andrew Ludlum, Foreperson
2017-2018 Ventura County Grand Jury
800 South Victoria Avenue
Ventura, CA 93009

Re: Oxnard Drainage District No. 2 – Response to Final Report
of the Ventura County Grand Jury on Independent Special Districts
Published April 26, 2018

Gentlemen:

Attached hereto is Oxnard Drainage District No. 2's completed Response to Grand Jury Report Form. The Board of Directors of Oxnard Drainage District No. 2 welcomes the opportunity to respond to the Report of the Grand Jury and to inform it of the work it is performing.

The undersigned is the Secretary for Oxnard Drainage District No. 2 ("ODD #2" or the "District"), an independent special district created under the Drainage District Act of 1903. The District is comprised of approximately 7,200 acres of agricultural land east of the City of Oxnard and south of Highway 101 and west of the Revlon Slough. In the enabling legislation, the Directors are empowered to "construct, maintain, and keep in repair all works necessary for the purpose of maintaining and enhancing the quality and use of the land within the District through drainage, flood and waste water control on District owned lands, and the conservation, storage and beneficial use of flood and other waster waters from any lands within the District." (Drainage District Act of 1903 Section 18-14.)

The Board of ODD#2 does not quarrel with the Grand Jury's stated objectives for Special Districts to:

WESTLAKE VILLAGE OFFICE

4550 E. THOUSAND OAKS BLVD., SUITE 250, WESTLAKE VILLAGE, CALIFORNIA 91362

PHONE: (805) 659-6800 FACSIMILE: (805) 379-1744

- (1) Foster transparency and accountability;
- (2) Create publicly available reserve fund policies and practices;
- (3) Communicate with its constituents on opportunities to serve on its Board and;
- (4) Create a website with the components identified in R-04 of the Grand Jury Report.

The Board of ODD #2 is proud of its record of providing excellent service to the properties within the District's boundaries at an extraordinarily low cost. Its mission is, and always has been, to provide subsurface drainage of the properties within the District's boundaries so that otherwise non-arable or marginally non-arable land can be used productively in agriculture. Although not strictly responsible to do so (the Ventura County Flood Control District collects taxes to perform this work within the District boundaries), it also provides flood control for surface water within the District where its drains and ditches are the only structures available for these purposes.

The District is intended to serve only agricultural properties and almost all properties within the District are farmed. The Drainage District Act of 1903 provides that to qualify to be a Director, one must be either a holder of land within the District, the legal representative of such, or the designated representative of a holder of title of land that is not a natural person. Thus, the "pool" of persons who might run for office within ODD #2 is relatively small. So, while the Grand Jury's goal to provide constituents opportunities to serve on Boards of common interest, the reality of taking busy farmers away from their work to attend uncompensated quarterly meetings is not a siren song many are interested in.

Its three present Directors, Michael J. Naumann, Paul A. DeBusschere and Brian S. Naumann, all have earned Bachelor's degrees. The Naumanns are 5th generation Ventura County farmers within the District. Mr. DeBusschere is a 4th generation farmer within the District. The three own, operate and/or control about 1,200 acres within the District. Like all eligible Directors, the success of their properties is directly related to the success of the District. The Directors receive no compensation for their service.

The District's facilities, but with few exceptions, are composed of a tile drain system that flows by gravity. The Oxnard Plain is flat as a pancake. Despite this, because of excellent design and engineering, and conscientious and careful maintenance, the areas within the District, currently valued on the secured and unsecured tax rolls of Ventura County at \$950,068,713, for

Ira Schoenwald, Chair
Andrew Ludlum, Foreperson
2017-2018 Ventura County Grand Jury
August 30, 2018
Page 3

over 90 years have been drained by the District within its annual budget. The District's current annual budget is \$160,000 and is funded by assessments on properties within the District. The assessment has not appreciably changed since 2007 and amounts to \$20.00 per acre.

The Board of ODD #2 acknowledges Recommendations R-01 and R-02 suggesting ODD #2 reach out and communicate with the public on opportunities to serve on its Board and to discontinue "the practice of appointing new board members a few months prior to a public election giving incumbent status to a virtually new board member". The reality for ODD #2 is that the pool of prospective Board Members is small, as noted above. While the Board has always followed all procedures for calling an election, there has never been any actual election because of a lack of interest in serving. After appropriate notices have been published, there are rare inquires made by the general public showing interest in acting as a Director. In the past 20 years, there have been only two inquires made. The interest usually crashes on one of two rocks: (1) interested persons are not land owners; or, (2) they are not interested in serving if there is no compensation. The undersigned would suggest that serving as a Director is a duty with no privileges.

As noted above, until this year, the District has had few major repairs to provide it direction concerning the amount it should target as an appropriate reserve fund. With 13.2 miles of subsurface drains, it is difficult to project an appropriate reserve level. The Board appreciates your prompting a review of this issue and will seek appropriate guidance to create a reserve policy by year-end 2018.

Finally, the Board of ODD #2 has committed to creation of a website by year-end as well. It has observed the effort made by Oxnard Drainage District No. 1 and intends to create a similar site, by year-end 2018.

Very truly yours,

FERGUSON CASE ORR PATERSON LLP

By


JOHN C. ORR

JCO:mjr